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Conclusions of the BEPA workshop on social innovation

Background

The Renewed Social Agenda, which was adopted by the European Commission in June 2008, creates an opportunity to shape Europe's response to new social realities, to insert social innovation as an opportunity to generate new solutions, to connect with the citizens and to promote a better quality of life. The economic crisis requires both quick solutions to pressing social problems and the long term development of a sustainable social system.

As underlined by the Lisbon Agenda, Europe's success will depend on its ability to innovate on many fronts – not just in manufacturing but also in services; not just in the private sector, but also in the public and non-profit sectors; not just in big organisations, but in smaller entrepreneurial ones as well; not only through new technology, but also through new forms of organisation to tackle social issues.

Some of the most important sectors for growth and social issues over the next decade are those that straddle public and private sectors and therefore require very different models of industry and technology policy. Health is already the largest sector in most countries by a wide margin. Education often comes second. In many countries eldercare alone is set to account for as much as 5% of GDP within a few years – bigger than cars, computers, steel and even financial services. In all of these sectors the implementation and adaptation of new technologies is set to be critical to boosting productivity and keeping up with public expectations. Enabling and stimulating their inventive use, whilst at the same time maximising overall value by avoiding the creation of fragmented pockets of local excellence, is a key balance to strike.

Some of the most important social challenges facing Europe will also require radical innovation that cuts across sectoral boundaries – for example, cutting carbon emissions requires interlocking changes in hardware, infrastructures, local government and lifestyles. Responding to ageing requires changes to everything from employment law and pensions to new models of care, including self-managed care and new types of housing. Struggling against new risks or inequity requires innovative initiatives in social fields not only in applying new technology but also in proposing innovative organisation, new network processes in building human and social capital such as second chance schools and similar innovative solutions to social issues at a local level.

The European public sector must also address the challenges of a connected world, which creates an opportunity to embrace new methods of collaboration. Europe's most intransigent problems may demand solutions depending on cross-sectoral cooperation

and innovation. Citizens have new expectations: they want not only faster and better services, but also to be engaged in new ways

Yet most European policies remain in a 20th century model which has not caught up with these changes. Support for R&D is mainly focused on hardware and manufacturing and organised through models of support that do not involve sufficiently users and consumers, thus not taking fully advantage of the most innovative business models and breakthroughs in the area of social networking. Social reform is conceived in terms of national policies, rather than in term of how best to tackle resistant problems by unleashing innovation amongst users, frontline workers, NGOs and businesses.

The ability to innovate in ways that deliver better services and social justice is seen around the world as one of Europe's unique achievements and has given the world everything from the cooperative and consumer movements to the worldwide web.

Some of the smaller EU countries are now leading the world in building innovation into their governmental structures and their economies – e.g. Denmark, Finland and Estonia – with new funds, teams and open processes, often led from the top. Some are trying to encourage more openness, contestability and user voice. However, there are still few developed models or institutions and the field is behind R&D in science and technology, which has mature investment models, metrics, research and roles.

Pervasive connectivity and the use of web 2.0 technologies are enablers of social innovation, providing tools for cross-sectoral collaboration and co-creation in fields like education and healthcare where expert patients and expert learners are becoming partners with professional service delivery organisations and where global resources can be pooled to improve access, quality and affordability. These innovations coincide with the growing demand of citizens to be actors in their lives and to be enabled to find collective solutions to some of the social issues they encounter. The combination of these two trends can provide better eldercare, allowing the elderly or disabled to stay living in their communities with support. They have a role to play on environment and urban reconfiguration, fostering new ways to work, travel and create together, etc.... Establishing the right legal and financial frameworks, developing tools and skills to meet these expectations could enable this potential to be realised in the large-scale and sustainable way that today's European reality demands

Europe being a pluralistic continent that has long been good at generating creative solutions to social needs, the EU has a role to play in building up the skills, tools and methods of the many people across Europe who work in and around social innovation: in NGOs; governments; businesses; development agencies and universities. The modernisation of social policies promoted by the Social agenda offers a chance to better integrate social innovation into European policies.

Description of the workshop

The Bureau of European Policy Advisers (BEPA) organised on 19th and 20th January 2009 a two day workshop with around 40 European stakeholders (representatives of the Economic and Social committee, social partners, the social platform), experts and social innovators as well as a few representatives of Commission Services (DG EMPL, REGIO, SANCO, ENTR, SG). The objective was to debate how Europe supports and integrates social innovation in its policies, in the wake of its renewed social agenda. Commissioner's Špidla and Hübner, participated in the seminar as well as the vice-

president of the EIB (European Investment Bank) and President Barroso who, during the last part of the meeting, had an exchange with participants and drew some conclusions.

The meeting took the form of two half-day workshops. The first afternoon introduced by Commissioner Špidla, considered some leading experiments in social innovation (dealing with social inclusion of migrants, offenders, youth, health and care, Education and Culture, administrative reform, local development, social economy) which were discussed with participants. A debate on the financing of social innovation took place over a dinner chaired by Commissioner Hübner and the next morning was devoted to a roundtable of stake holders followed by a discussion with President Barroso who closed the meeting by drawing some conclusions.

Main messages from the participants

- Social innovation is about new and effective solutions to pressing social needs, created by individuals or organisations with a social, and not necessarily a commercial, imperative. Social innovators are prepared to try something different, to provide an effective solution and leave behind new and sustainable capabilities, assets or opportunities for wider social change. It is an asset in responding to the large and complex social challenges that we need to deal with: Global warming; sustainable cities; lifting people out of poverty; improving education and health systems; new models of social care for ageing populations.
- Successful Social Innovation is **often: Experimental** (testing out a range of alternatives and assessing which ones work); **Cross-cutting** (for example responding to ageing requires changes to everything from employment law and pensions to new models of self managed care); **Collaborative** (making use of the full potential of network technologies to boost productivity in the social fields and to speed up learning); Able to engage citizens as **co-creators** ; **It is not meant to replace social services**
- A clear message was sent to the Commission about the need for policy makers to **value social innovation**, to be more aware of its benefits and open to the work of social innovators. Policy makers must understand the impact and implications of social innovation.
- Another message from the workshop is about the need to clarify the place and linkage of social innovation with public policies: A number of social innovators would like to see public policies more adapted to their endeavors. Their views stems from practical experience, either because they got no support while providing services to communities (ex. SIEL, Patrignano) or because they encountered administrative obstacles of a bureaucratic nature (ex "In control") or because a culture of financial audit now dominates financing and leaves no room for local risk taking initiatives (ex. XPerRegio).
- It was emphasised that the widespread culture of risk avoidance in public authorities, resulting from the great emphasis on financial audits and controls, is a main obstacle to social innovation. By contrast there is a need to create a culture of learning, risk-taking and ownership of reforms in public administrations and in the wider public. The Commission could take these remarks into account in its cohesion policies (regulations of the structural funds) as well as in its administrative culture (ex: Mindlab: social innovation in government in Danemark)

- Social innovation must be used to strengthen (not to replace) the European social model: the ability to innovate, particularly in new challenges like ageing and climate change, can be built on strong safety nets on issues like poverty.

The opportunity to act now as **an answer to the economic downturn** was widely shared by participants. The **crisis offers an opportunity for Europe** to take the lead in the field of social innovation. Europe's long term challenge lies in ensuring that the recession does not damage just the competitiveness of European industry but also the **resilience and effectiveness of European society**. Stakeholders made clear that the recession demands rapid responses which could be supported inter alia by a reengineering of some policy delivery mechanisms to stop the economic crises becoming a social crisis. They insisted that social innovation should be mainstreamed in all societal areas (education, health, public policies and administration), a contribution to the EU social objectives and not be seen as a substitute to current social policies. However, Social innovation cannot be seen as a re-branding of current programs. It played a decisive role in Europe's past. We urgently need to place it at the heart of all efforts to shape Europe's future too.

Specific initiatives mentioned by participants were:

1. Negotiate with Member states a more **flexible use of the structural funds**: European funding mechanisms must assure capacity to fund social innovation. But European programs are not designed to take risk. The regulations of structural funds need an urgent flexible interpretation- otherwise they will prevent rather than promote social innovation.
2. Integrate the need to develop a "culture of social innovation" into the financial perspective and the **post 2013 perspectives**;
3. Develop funding capacities within specific legal frameworks for social innovation, which include funding possibilities both at **ground level and on scaling up**;
4. **A venture capital approach** (Possibility to try and fail) could help the funding of pilot projects. In particular, public private partnerships between the European Investment Bank and the European Commission can open interesting opportunities on ageing, climate change and urban regeneration. As accountability increases rationality, a combination of grants with loans can increase efficiency.
5. Develop **in-depth evaluation methodologies**, peer review panels and processes to disseminate successful experiments;
6. **Introduce rewards** for social innovation in public administrations;
7. Support the establishment of **Social Innovation Incubators** within selected policy domains across Europe. For instance, identify 3-5 promising examples of social innovations towards the socially excluded, support the actors and stakeholders involved on their path to success, and then scale methods and approaches to other countries and settings across Europe.
8. Create an **"Open Innovation" digital platform** where European-wide policy problems can be posted, and ideas and solutions can be put forward by citizens and stakeholders across Europe
9. Create **a hub of networks of social innovators** across Europe, ideally building on the Social Innovation Exchange which already brings together a range of partners from

across Europe, including multinational companies, development agencies, NGOs and research institutions, and including associate organisations in every member state

10. **Hold an annual European Social Innovation Awards (ESIA)** conference, to highlight social innovations in various policy domains, and to create awareness and strengthen networks.

11. **Establish an Innovation Incentive Model to national**, regional and local governments that directly provides financial and other incentives for innovations that deliver proven value.

12. Develop **Social innovation stimulus plans** at city/regional level, using a mix of funding mechanisms

13. And lastly, it was underlined that **2009 is the Year of Creativity and Innovation**. Creativity and innovation are required in public policies. Social innovation is about engaging everyone in designing and implementing their own dreams. It is about unleashing Europe's creative potential.

Concluding remarks of the President

After having listened to some of the participants' suggestions, the President highlighted the crucial role of social innovation in underpinning the renewed social agenda so as to empower citizens to cope with the rapid pace of economic and social changes. He underlined that it is a very timely policy instrument that responds to the crisis and the high levels of unemployment which are forecasted.

An EU initiative in this field should aim to make an improved use of existing policies and funding instruments to create the conditions in which social innovation becomes an asset for the European Economic Recovery Programme.

Amongst the participants' suggestions for EU action, the President noted the request for programmes to be focused on user driven innovation and services dealing with social inclusion. He noted the need to develop imaginative ways of organising large scale collaborative innovation across Europe's regions, and cities to exploit new opportunities and address threats, for example in fields such as carbon reduction, transport, independent living and care, distance learning. The need to adapt the roles for key European institutions like the EIB and to have social and regional funding programmes deliberately aiming to increase the absorptive and innovative capacity of poorer regions could also be addressed.

As a large number of EU policy fields can benefit from and contribute to the promotion of social innovation, President Barroso concluded that he would transmit the conclusions of the workshop to all Commissioners with a view to engage all the relevant Commission services in contributing with suggestions.

BEPA was asked to draw up a report on social innovation where suggestions received from the workshop participants and Commission services would be analysed.

Participants were asked by the President to further contribute by sending written contributions. So far, the majority of participants have sent further comments and suggestions.